BEFORE THE ARIZONA POWER PLANT AND TRANSMISSION LINE SITING COMMITTEE

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4 OF UNS ELECTRIC, INC. FOR A CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY FOR THE VAIL TO

IN THE MATTER OF THE APPLICATION

VALENCIA 115KV TO 138KV

NOGALES, SANTA CRUZ COUNTY.

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TRANSMISSION LINE UPGRADE
PROJECT, ORIGINATING AT THE
EXISTING VAIL SUBSTATION IN SEC. 4,

7 T.16S., R.15E., PIMA COUNTY, TO THE EXISTING VALENCIA SUBSTATION IN SEC. 5, T.24S., R.14E., IN THE CITY OF

ARIZONA.

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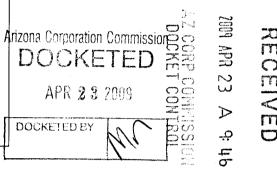
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Docket No. L-00000F-09-0190-00144

Case No. 144



NOTICE OF HEARING

A PUBLIC HEARING WILL BE HELD before the Arizona Power Plant and Transmission Line Siting Committee ("Committee") regarding the application of UNS Electric, Inc. ("UNS Electric" or "Applicant") for a Certificate of Environmental Compatibility authorizing an upgrade of an existing 115 kV Transmission Line to 138 kV and approximately 4 to 5.5 miles of new 138 kV line, connecting the existing Vail Substation near the intersection of Interstate-10 and Rita Road, in the City of Tucson, Pima County Arizona, to the existing Valencia Substation at White Park Drive and Grand Avenue in the City of Nogales, Santa Cruz County, Arizona (the "Project"). The hearing will be held at the Esplendor Resort at Rio Rico, 1069 Camino Caralampi, Rio Rico, Arizona 85648. The hearing is scheduled to begin Tuesday June 2, 2009 at 9:30 a.m., and to continue as necessary on Wednesday June 3, 2009 at 8:30 a.m. and Thursday June 4, 2009 at 9:30 a.m. The hearing will adjourn at approximately 5:00 p.m. on all days. Additional hearing days, if necessary, will be noticed on the Applicant and Arizona Corporation Commission ("ACC") websites.

The Applicant's website with Project information is http://www.uesaz.com/Company/News/VailValencia.asp

The ACC Website is: www.azcc.gov/AZ_Power_Plant/LineSiting-Calendar.asp.

Copies of the Application and Transcripts will be available for inspection at the following locations:

Joyner-Green Valley Branch Library: 601 N. La Canada Drive, Green Valley, Arizona 85614.

Nogales-Rochlin Public Library: 518 N. Grand Avenue, Nogales, Arizona 85621.

Pima County Public Library, 9640 E. Golf Links Road, Tucson, Arizona 85730.

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PUBLIC COMMENT WILL BE TAKEN AFTER OPENING STATEMENTS AND AS PERMITTED BY THE COMMITTEE CHAIRMAN. IN ADDITION, A SEPARATE EVENING PUBLIC COMMENT SESSION WILL BE HELD JUNE 2, 2009, AT 6:00 P.M. ALSO AT THE ESPLENDOR RESORT, 1069 CAMINO CARALAMPI, RIO RICO, ARIZONA 85648.

The Project consists of replacing approximately 25 to 29 miles of an older single-circuit 115 kV line with new single-circuit 138 kV transmission line, and constructing approximately 4 to 5.5 miles of new single-circuit 138 kV line to facilitate a new interconnection for the Santa Cruz County service area. A general location map of the Applicant's proposed route, described herein, is set forth below.

The Project is proposed to originate at the existing Vail Substation operated by Tucson Electric Power Company ("TEP"), in T.16S., R.15E., Section 4 near Interstate 10 and Rita Road within the City of Tucson. A new line will extend approximately 4 to 5.5 miles, depending on the selected route, southwesterly to connect with the existing UNS Electric transmission line. The existing transmission line is currently operating at 115 kV, but was designed to operate at 138 kV. It will remain as presently constructed from that connection approximately 26 to 28 miles south to the Kantor Substation near Tubac (per Line Siting Case No. 78 approved in Decision No. 56097). Upon the Project's completion, that existing line will operate at 138 kV.

From Kantor Substation the existing 115 KV line will be rebuilt on steel monopoles and as a 138 KV transmission line:

• for approximately 13.4 to 14.9 miles from the Kantor Substation southerly to the Cañez Substation;

• for approximately 3.3 to 3.6 miles from the Canez Substation southerly to the Sonoita Substation; and

• for approximately 8.3 to 10.1 miles from the Sonoita Substation southerly to the Valencia Substation in Nogales.

Both preferred and alternative alignments for the rebuild portions and the 4 to 5.5 mile new portion from the Vail Substation for the Project have been submitted by the Applicant.

More complete maps, along with more detailed textual descriptions of the proposed route are available in the Application and on the Applicant's website. The Application that includes detailed maps of the proposed Project is on file with the Docket Control Center of the Arizona Corporation Commission, 1200 West Washington Street, Suite 108, Phoenix Arizona, 85007, and 400 West Congress Street, Suite 221, Tucson, Arizona 85701 in addition to the three locations above.

The Committee may conduct a tour of the Project area and the proposed routes — most likely to occur on June 3, 2009 starting at 8:30 a.m. If a tour is conducted, a map and itinerary for the tour will be available at the hearings. Members of the public may follow the Committee in their own private vehicles. During the tour, the Committee may hear brief testimony at stops on the tour from one or more witnesses concerning where the stops are located, what is visible at the stops and the relevance of the location and view to the proposed routes of the transmission

line in the Application. No other discussion or deliberation concerning the Application will occur. A court reporter will transcribe any testimony taken on the tour.

Depending on the issues raised and the number of intervenors appearing during the hearing, the Committee may deem it appropriate at some point to recess the hearing to a time and place to be announced during the hearing, or to be determined after the recess, at which time and place the hearing will be resumed. These dates and places will be posted on the Project and ACC websites. At the discretion of the Committee, such resumed hearings may be held at a date, time and place designated by the Committee or its Chairman.

NOTE: NOTICE OF SUCH RESUMED HEARING WILL BE GIVEN; PUBLISHED NOTICE OF SUCH RESUMED HEARING IS NOT REQUIRED.

Each county and municipal government and state agency interested in the proposed Project and desiring to become a party in the proceeding must file with the Arizona Corporation Commission, 1200 West Washington Street, Phoenix, Arizona 85007, a notice of its intent to be a party. That notice must be filed not less than ten (10) days before the date set for hearing.

Any domestic, non-profit corporation or association, formed in whole or in part to promote conservation or natural beauty, to protect the environment, personal health or other biological values, to preserve historical sites, to promote customer interests, to represent commercial and industrial groups, or to promote the orderly development of the area in which the Project is to be located and desiring to become a party to the certification proceedings must file with the Arizona Corporation Commission, 1200 West Washington Street, Phoenix, Arizona 85007, notice of its intent to be a party. That notice must be filed not less than ten (10) days before the date set for hearing.

The Committee or its Chairman, at any time deemed appropriate, may make other persons parties to the proceeding.

Any person may make a limited appearance at a hearing by filing a statement in writing with the Arizona Corporation Commission, 1200 West Washington Street, Phoenix, Arizona 85007, not less than five (5) days before a date set for hearing. A person making a limited appearance shall not be a party or have the right to present testimony or cross-examine witnesses.

This proceeding is governed by Arizona Revised Statutes (A.R.S.) §§ 40-360 to 40-360.13 and Arizona Administrative Code R14-3-201 to R14-3-219. No substantive communication, not in the public record, may be made to any member of the Committee. The written decision of the Committee will be submitted to the Arizona Corporation Commission pursuant to A.R.S. § 40-360.07. Any person intending to be a party before the Arizona Corporation Commission must be a party to the certification proceedings before the Committee.

ORDERED this 23 day of April, 2009.

John Foreman, Chairman
ARIZONA POWER PLANT AND TRANSMISSION
LINE SITING COMMITTEE
Assistant Attorney General

